

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**HB 1197 – SB 1336**

April 22, 2015

**SUMMARY OF ORIGINAL BILL:** Declares that relief from property taxes will only be provided to one recipient per property per year in a given jurisdiction.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (006684):** Deletes and rewrites the bill in its entirety. Enacts the “Keeping our Promises to Seniors and Veterans Act” that maintains current levels of tax relief for elderly and disabled homeowners as well as for disabled veteran homeowners for a ten-year period ending no sooner than July 15, 2025.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Increase State Expenditures - \$8,226,900/FY15-16**  
\$12,715,200/FY16-17  
\$18,012,400/FY17-18  
\$24,287,600/FY18-19  
\$31,746,500/FY19-20  
\$40,639,800/FY20-21  
\$64,017,000/FY21-22  
\$79,325,900/FY22-23  
\$97,751,600/FY23-24  
\$119,967,200/FY24-25

According to the Administration Budget Amendment Overview for the FY15-16 budget dated March 30, 2015, there is a non-recurring increase in state expenditures \$7,000,000 earmarked for property tax relief.

Assumptions for the bill as amended:

- Under the provisions of the amended bill, allocation would not be allowed, as allocation would reduce tax relief, for the proposed ten-year period.
- The Comptroller of the Treasury (COT) reports that the relevant property tax relief programs are currently funded at \$28.4 million.
- It is assumed that the \$28.4 million dollar funding level would continue in the absence of this legislation.

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- The COT projects growth of five percent for the elderly low income tax relief claims and growth of 22.0 percent for the veteran tax relief program.
- By fully funding the tax relief programs at current levels, not allowing for allocation as is current practice, the state will see an increase in state expenditures, above and beyond the current funding level, for each year of the proposed ten-year period.
- For purposes of brevity, the calculations from which the estimates for FY16-17 and subsequent years are derived have been omitted from the assumptions of this fiscal note. However, these calculations which are based on information provided by the COT are on file with Fiscal Review Committee staff and are available upon request.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Jeffrey L. Spalding, Executive Director

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